



SBA's Paycheck Protection Program (PPP)

PPP Loan Basics

- Administered by SBA with assistance from the Treasury Department
- Applications through qualified lenders (such as banks or other SBA-approved lenders)
- Maximum loan size is \$10 million; additional calculation information available
- Interest rate is not to exceed 4%, but ultimately defined by lender
- Loan term is two years, with a six-month deferment on payments (accruing interest)

Eligible PPP Applicants

- All applicants must have been in operation on February 15, 2020
- Small businesses, 501(c)(3) nonprofits, and 501(c)(19) veterans' organizations with *fewer than 500 employees* *
- Sole proprietorships, independent contractors, and eligible self-employed individuals
- Hotels and restaurants with fewer than 500 employees per physical location *
- Companies currently receiving funding through a Small Business Investment Company

Allowable Uses

- Payroll costs (additional guidance available)
- Costs related to the continuation of employer group health care benefits
- Mortgage interest payments, rent payments, and utility payments
- Interest payments on any other debt obligations incurred before February 15, 2020
- Refinancing an SBA EIDL loan made between January 31, 2020 and April 3, 2020

Loan Forgiveness

- Can be up to the full amount of the loan and any accrued interest, if qualifying
- 75-25 Rule: At least 75% of the loan must be used for payroll for it to convert to a grant

* *Some businesses are considered small businesses even if they have over 500 employees.*